GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:869
ANSWERED ON:19.07.2002
PROFIT OF BANKS
RAVINDRA KUMAR PANDEY;TUFANI SAROJ

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that during the last year most of the banks registered increased profits mainly on account of substantial income from their treasury transactions despite decline in their routine transactions;

(b) if so, the details thereof;

(c) the details of the income of different public sector banks from the transactions of securities and other sources during the last three years and till date; and

(d) the positive steps taken by the Government to increase deposits in banks and extend the ambit of loan distribution ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a)&(b):- No, Sir. According to Reserve Bank of India most of the bank registered increased profits on account of substantial income from their treasury operations but their net interest income and other operating income also registered an increased during the year. All scheduled commercial banks registered increase of 121.88% in treasury income and an increase of 53.22% in their operating profit,. Their net interest income during the year ending March, 2002 increased by 8.31%.

(c):- The details of net interest income, treasury income and other operating income other than treasury income in respect of Indian Operations of public sector banks for three years is given in the Annexure.

(d): As a measure of increasing deposits in banks and extending the ambit of loan distribution, interest rates have been deregulated progressively and banks have been provided more operational flexibility and rigidities have been eliminated.